

## **AUDIT COMMITTEE – 16 SEPTEMBER 2016**

<b>Title of paper:</b>		Statement of Accounts 2015/16	
<b>Director(s)/ Corporate Director(s):</b>		Geoff Walker Strategic Director of Finance	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>		Tom Straw, Senior Accountant – Capital Programme <a href="mailto:thomas.straw@nottinghamcity.gov.uk">thomas.straw@nottinghamcity.gov.uk</a> / 0115 8763659	
<b>Other colleagues who have provided input:</b>		Susan Risdall, Finance Team Leader – Technical Accounting	
<b>Recommendation(s):</b>			
1	The external auditors' report (Appendix A) to those charged with governance is considered		
2	The Statement of Accounts (Appendix B), as attached, is considered and is approved for signature by the Chair of the Audit Committee.		
3	The Draft Management Representation Letter (Appendix C) is approved for signature by the Chair of the Audit Committee.		

### **1 REASONS FOR RECOMMENDATIONS**

- 1.1 Our external auditors (KPMG) have completed the audit of the draft 2015/16 Statement of Accounts (the Statements) and provided their findings in their "report to those charged with governance" (ISA260). In order to conclude the audit, KPMG are required to present the ISA260 to the Audit Committee by 30<sup>th</sup> September 2016
- 1.2 The Accounts and Audit Regulations 2015 require the Audit Committee to approve the Statement of Accounts. The Chair of the Audit Committee and the Chief Finance Officer are then required to sign a Statement of Responsibilities, including approval of the accounts.
- 1.3 As part of the audit, KPMG require the Council to make certain statements in a management representation letter, including confirmation that the statements have been constructed accurately and on an appropriate basis, and relevant and complete disclosures have been made.

### **2 BACKGROUND**

- 2.1 On the 24<sup>th</sup> June 2016 the Strategic Director of Finance approved the draft Statements for 2015/16 as giving a true and fair view of the financial position, income and expenditure, in accordance with the Accounts and Audit Regulations 2015.
- 2.2 At this point, the Statements were also subject to external audit. The remainder of this report, along with the ISA260 are intended to help Committee consider any relevant issues before approving the Statements for signature by the Statements for signatures by the Chair of the Audit Committee.

### **3 CHANGES TO THE FORMAT AND CONTENT OF THE ACCOUNTS**

- 3.1 Colleagues continue to review the format and content of the Statements, in order to introduce improvements and make the accounts more understandable. The changes for 2015/16 include:

- The Executive Summary has been replaced by the Narrative Report, which provides more non-financial information to give the user a better understanding of the Statement of Accounts.
- A redesign of the funding basis note to provide the user with a more understandable table.

#### **4 AMENDMENTS TO THE STATEMENTS FOLLOWING AUDIT REVIEW**

- 4.1 KPMG have reviewed the information contained in the statements for 2015/16. Inevitably certain changes arise from the work undertaken by both colleagues and KPMG as they examine the accuracy and completeness of the Council's Statements. As part of this review no amendment has been required to the core financial statements. The most significant change was to include a paragraph regarding the impact of the referendum on the European Union on the 23<sup>rd</sup> June.
- 4.2 A number of other minor changes have been made to the notes to the accounts.
- 4.3 A number of changes have also been made to Group Accounts to reflect the changes between draft and final accounts for the Council's group entities.

#### **5 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

- 5.1 Statement of Accounts working papers  
KPMG External Audit Plan 2015/16

#### **6 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 6.1 Code of Practice on Local Authority Accounting in the United Kingdom 2015/16,  
Guidance Notes for Practitioners 2015/16 Accounts,  
The Accounts and Audit Regulations 2015